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SUBJECT: WEST BANK AND GAZA: 2008 COUNTRY REPORT ON  
TERRORISM

REF: 08 STATE 120019

## Overview

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11. (SBU) The Palestinian Authority's (PA) counterterrorism (CT) efforts improved in the 2008 reporting period. PM Salam Fayyad's government engaged in efforts to control terrorist groups, particularly Hamas. Nevertheless, additional efforts will be required to dismantle terrorist groups in the West Bank and Gaza Strip. The PA was unable to undertake CT efforts in the Hamas-controlled Gaza Strip. Hamas and other armed groups in Gaza were responsible for hundreds of rocket, mortar and small arms attacks into Israel in 2008. Hamas also engaged in tunneling activity, and smuggled weapons, cash and other contraband into the Gaza Strip. Hamas has created its own security forces in Gaza, built around Hamas military wing cadres, which now number at least 15,000. In the West Bank, PA security forces (PASF) followed up on efforts to establish law and order and fight terror cells with security deployments to Jenin, Bethlehem and Hebron, and closures of Hamas-linked charities and other NGOs. All observers, including Israeli security officials, credit PASF with significant security improvements across the West Bank. Terrorist groups such as Hamas, Palestinian Islamic Jihad (PIJ), Popular Front for the Liberation of Palestine (PFLP), and the al-Aqsa Martyrs Brigades (AAMB) remain active, but their ability to carry out attacks from the West Bank has been degraded. Extremist settler groups are also a threat in the West Bank, and have engaged in attacks against Palestinians and incitement against Palestinians and Israeli security forces.

## Palestinian Security Forces

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12. (SBU) The primary PA security forces (PASF) are the National Security Forces (NSF), police, Preventive Security Organization (PSO), Presidential Guard (PG), General Intelligence (GI, or Mukhabarat) and Civil Defense. All forces are under the Interior Minister's operational control and follow the Prime Minister's guidance. In the Gaza Strip, Hamas has established separate internal intelligence, police, coastal patrol, border guard and "Executive Force" organizations. Hamas military-wing members are often integrated into their ranks. Militias in Gaza such as the Hamas and PIJ military wings, the AAMB and an assortment of clan-based armed groups also carry out attacks against Israel.

Terror Infrastructure and Attacks  
in the West Bank and Gaza

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¶3. (SBU) Palestinian terrorist groups, particularly PIJ and Hamas, receive substantial foreign funding and support from foreign terrorist organizations, mainly those based in Syria and Lebanon. The PA has aggressively pursued Hamas-linked groups and institutions in the West Bank, but has not fully dismantled Hamas or other terrorist organizations and their infrastructure in territory under its control. In March, a Hamas cell from the southern West Bank carried out a suicide bombing in Dimona, Israel, killing an Israeli woman. In April, PIJ gunmen infiltrated the Tulkarm industrial area and killed two Israeli security guards.

¶4. (SBU) The situation in and around the Gaza Strip is much worse. As noted above, the PA has no control in Gaza. In April, Hamas gunmen killed two Israeli civilians at the Nahal Oz fuel terminal after infiltrating into Israel. At least 1856 rockets and mortars were fired from Gaza into Israel in 2008, killing five Israelis in February, May, June and December attacks, and causing several injuries. Hamas also engaged in tunneling activity and smuggled weapons, cash and other contraband into the Gaza Strip.

#### Attacks Against American Citizens

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¶5. (SBU) There were no terror attacks against American citizens in the West Bank or Gaza during the reporting period. No progress was made in apprehending, prosecuting, or bringing to justice the perpetrators of the October 2003 attack on a U.S. Embassy convoy in Gaza that killed three USG contractors and critically injured a fourth.

#### Cooperation in Fighting Terror

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¶6. (SBU) Cooperation between the PA and Government of Israel (GOI) security services improved in 2008. Nevertheless, PASF commanders have complained that the IDF does not coordinate anti-terror efforts with them and conducts unilateral raids in towns in Palestinian areas. The PA protected and returned several Israelis, including IDF soldiers, who had entered Palestinian cities, including Jenin, Jericho, and Bethlehem.

#### USG Support of Palestinian CT Efforts

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¶7. (SBU) The U.S. Security Coordinator (USSC) and the State Department's Bureaus of Diplomatic Security and International Narcotics and Law Enforcement (INL) administered security assistance to the NSF and PG in 2008. The USSC also worked with PA security commanders to assist their CT efforts, including in its deployments to Jenin, Bethlehem, and Hebron. U.S. Consulate General Jerusalem administered Anti-Terrorism Assistance training for over 200 PA security personnel, primarily members of the PG.

#### Obstacles to More Effective CT Actions

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¶8. (SBU) In the West Bank, the PASF were hindered by a lack of resources, unclear chain-of-command, and IDF-imposed restrictions on their movement, equipment and operations. PASF officials frequently raised concerns about operational difficulties imposed by the GOI on PASF movements. Efforts to arrest and prosecute terrorists were also impeded by a disorganized legal system and inadequate prison infrastructure. PA courts were inefficient and failed to ensure fair and expeditious trials, while most Palestinian prisons were destroyed in Israeli military operations during the second Intifada and have not been rebuilt.

#### Political Efforts to Counter Terror

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¶9. (SBU) President Abbas and PM Salam Fayyad have publicly and consistently supported a security program that includes

disarming fugitive militants, aggressively arresting members of terrorist organizations, and gradually dismantling armed groups. PM Fayyad has condemned violence against Israelis in harsh terms and taken rapid action against those involved in attacks. Since becoming Prime Minister, Fayyad has condemned every attack against Israelis as contrary to Palestinian interests and commitments, and has ordered immediate action, including arrests and prosecutions.

#### Anti-Incitement Efforts

¶10. (SBU) The PA government reversed Hamas, official justification of terror and incitement against Israel and instituted stricter controls on media outlets and religious figures to counter incitement. The PA government established in June 2007 with Fayyad as PM omitted language from its platform concerning the right of resistance<sup>8</sup>. The President, the PM, and the government actively criticized violence and terror as contrary to Palestinian interests.

#### Counter-Terror Finance Operations

¶11. (SBU) The Palestinian Monetary Authority (PMA) continued building a Financial Follow-Up Unit (FFU) and developing capacity to track and deter financial transactions used to fund terrorist activity. The PA Cabinet has improved efforts to counter terrorist financing, and the Finance Ministry works with the Justice Ministry, Attorney-General, Supreme Judicial Council and (as appropriate) Interior and Waqf Ministries to shut down illegal NGOs and charities. USAID supports the PA's financial sector reform efforts through its Modernizing Financial Institutions project. The PA enacted Anti-Money Laundering (AML) legislation in late 2007 and has used its provisions to freeze suspect bank accounts, although the law does not criminalize all terrorist financing activities. The PA continues to experience substantial shortcomings in investigating and prosecuting financial crimes due to personnel shortages and limited technical expertise in law enforcement and the judiciary. The PA is also lagging in its implementation of the AML law due to limited regulatory guidance for the private sector.

¶12. (U) POC for this report is Political Officer Kyler Kronmiller.

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